



Testimony of  
**Roger Senserrich, Communications Director**  
**Connecticut Working Families Organization**  
Finance, Revenue, and Bonding Committee, March 15, 2022

## Re: Testimony in Support of H.B. 5403, An Act Establishing a Child Tax Credit Against the Personal Income Tax and S.B. 383, An Act Increasing the Applicable Percentage of the Earned Income Tax Credit

Good Morning Senator Fonfara, Representative Scanlon, Vice-Chairs and Members of the Finance, Revenue, and Bonding Committee. My name is Roger Senserrich, and I'm the Communications Director at the Connecticut Working Families Organization. We strive to be the political home of the multi-racial working class and run strategic legislative and electoral campaigns to advance social justice and create an economy that works for everyone.

Thank you for the opportunity to testify today in support of H.B. 5403, An Act Establishing a Child Tax Credit Against the Personal Income Tax and S.B. 383, An Act Increasing the Applicable Percentage of the Earned Income Tax Credit.

### Income inequality, driven by our tax code

Connecticut is one of the most unequal states in the nation. The average yearly income of the top one percent in our state is 41 times what the average household earns<sup>1</sup>. This ratio only works larger if we look at Black (61 times) or Latino (65 times) households.

These extreme disparities are not new, but have been building up for decades. They are the result of years of segregation, exclusionary zoning, anti-worker policies, and giveaways to those and the top. A shift away from well-paid, unionized jobs to low-wage service jobs, deindustrialization, the progressive rise of the finance industry, and a steady erosion of workers' power have also been critical to increase these disparities.

In addition to these policies, our tax system is also actively contributing to this inequality. We learned this year<sup>2</sup>, following the publication of the tax incidence report prepared by the

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<sup>1</sup> <https://ctvoices.org/wp-content/uploads/2020/09/SOWC-2020-Executive-Summary-Final.pdf>

<sup>2</sup> <https://ctmirror.org/2022/02/28/study-overall-ct-tax-system-hits-poor-middle-class-harder/>

Department of Revenue Services, that workers in Connecticut that earn less than \$44,758 a year pay nearly four times the rate of the wealthiest households in the state, making more than \$8,246,681 a year. Our tax system is upside down, with those at the bottom paying higher effective tax rates than those at the top. Due to our state reliance on sales and property taxes, we are allowing millionaires and billionaires to pay a smaller fraction of their income than cashiers or teachers.

## Supporting working families through the tax code

Connecticut Working Families supports H.B. 5403, An Act Establishing a Child Tax Credit Against the Personal Income Tax and S.B. 383, An Act Increasing the Applicable Percentage of the Earned Income Tax Credit because they will make the tax system more progressive, support work, and support children in our state.

Both the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are proven, effective tools to support children and working families. The EITC has a proven track record of increasing opportunity, creating a powerful incentive to increase workforce participation, and reducing poverty<sup>3</sup>. The CTC has proven effective not just in reducing child poverty now, but data has consistently shown an impact on school achievement and development, as well<sup>4</sup>.

The question is not, right now, if we can or cannot afford these tax credits. The question is why we can keep telling hard-working families and parents to continue paying a higher tax rate than hedge fund managers, year after year, after two years of grueling economic crisis and rising prices.

We call this committee to pass H.B. 5403 and S.B. 383, support children and families, and make our tax system serve the many, not the few.

Thanks for your time and consideration.

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<https://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>

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<https://www.cbpp.org/research/federal-tax/benefits-of-expanding-child-tax-credit-outweigh-small-employment-effects>